

**PART III - CHALLENGER FLEET ANNUAL COSTS**

(in thousands of dollars)

	2010-11 Actual
Government User Flying Hours	600.9
Military User Flying Hours	1,398.7
Training Flying Hours	670.1
Total Flying Hours	2,669.7
<b><u>FIXED COSTS</u></b>	
Maintenance Personnel Cost	1,898
Aircrew	3,858
Administration, Operations, Logistics Support, and Engineering Services	2,645
Facilities, Security and Equipment	811
Training Courses	837
Fixed Cost Portion of Spares, Repair and Overhaul	420
Total Fixed Costs	10,469
Total Fixed Costs per Flying Hour	3.921
<b><u>VARIABLE COSTS</u></b>	
Petroleum and Lubricants	3,205
Spares, Repair & Overhaul	3,333
Deferred Costs (Table 1)	1,745
Aircrew Travel Expenses	438
Food and Incidentals	248
Aircraft Handling and Landing Fees	363
Aircraft Communication	100
Transportation and Miscellaneous Revenue	(4)
Total Variable Costs	9,428
Total Variable Costs per Flying Hour	3.531
<b><u>ANNUALIZED CAPITAL COSTS (Table 2)</u></b>	
Airframe	12,992
Aircraft Improvements	564
Total Annualized Capital Costs	13,556
Total Annualized Capital Costs per Flying Hour	5.078
Total Annual Costs	33,453
Total Annual Costs per Flying Hour	12.531